



ANTI-BRIBERY AND CORRUPTION POLICY

1. POLICY

It is the policy of Overseas Shipholding Group, Inc. (together with its subsidiaries, “OSG” or the “Company”) to observe the highest standards of ethical conduct and to comply fully with all applicable laws and regulations, including anti-bribery legislation such as the U.S. Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010 (“BA”), in every jurisdiction in which OSG does business. In addition to the FCPA and the BA, virtually every country in which OSG conducts business has anti-bribery and corruption (“ABC”) laws that apply to dealings with its officials, and a number of other countries now have laws that apply, like the FCPA and the BA, to foreign bribery of government officials. There are also laws prohibiting commercial bribery. All laws relating to anti-bribery and corruption may be referred to collectively as “ABC Laws”.

As contemplated by the Company’s Code of Business Conduct and Ethics, Company business should be awarded solely on the basis of price, quality, service and suitability to the Company's needs. As a result, the Company prohibits any bribery or corruption in the conduct of its business. The purposes of this Policy are to identify the basic requirements and restrictions that such anti-bribery legislation imposes on the Company and to memorialize the Company’s commitment to adhere faithfully to both the letter and spirit of anti-bribery legislation in the conduct of its business activities worldwide.

2. SCOPE

This Policy applies to all Employees and Third Parties (as hereafter defined) performing duties for or on behalf of OSG whether or not directly employed by OSG and wherever located.

- “Employees” mean officers, directors, representatives and all other workers performing duties on behalf of OSG, whether or not employed directly by OSG.
- “Third Parties” mean agents, brokers, partners, consultants, contractors, joint venture partners and other representatives while performing services for the benefit of OSG, whether individuals or organizations.

Compliance with ABC legislation is an ongoing responsibility of each individual Employee and Third Party. No Employee of OSG or Third Party shall have authority to engage in

conduct or activities that do not comport with this Policy, or to authorize, direct, approve, or condone such conduct by any other Employee or Third Party. Thus, it is imperative to ensure the Company's compliance with laws that all OSG Employees and Third Parties understand what anti-bribery and corruption legislation mandates and forbids.

3. REQUIREMENTS

3.1 Anti-Bribery and Corruption

3.1.1 Definitions:

"Corruption" is the abuse of public or private office for personal gain.

"Bribery" is an inducement or reward of anything of value offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage through "improper performance". The bribe may be requested or accepted as a reward for or as an inducement to act or perform improperly in relation to the conducting business with OSG or the Third Party.

"Improper performance" happens when a person fails to act (1) in good faith, (2) impartially or (3) in accordance with a position of trust.

3.1.2. Implications of the ABC Laws

Anti-bribery legislation makes it a crime for any OSG Employee or Third Party to offer, pay or accept a Bribe. **There is no minimum monetary threshold that defines a Bribe**; it includes both monetary and non-monetary payments, such as gifts, stock interests, contractual rights, real estate, debt forgiveness, personal property, product or service discounts, loans, meals, entertainment, travel expenditures, political and charitable contributions, and other interests arising from business relationships.

There is no need for the Bribe to be accepted or, if accepted, to successfully achieve its intended purpose for the Bribe to be viewed as a violation of law; the offering of the Bribe is enough to constitute a criminal offence.

3.1.1 Special Requirements when Dealing with Public Officials

"Public Official" includes any:

- (a) official, employee or agent of a government, department or agency;

- (b) official, employee or agent of a government-owned or controlled entity, business, or instrumentality (such as a doctor in a state-controlled hospital);
- (c) political party;
- (d) political party official;
- (e) candidate for political office;
- (f) employee or agent of a public international organization (such as the Red Cross, United Nations, or World Bank);
- (g) anyone acting on behalf of any of these officials; or
- (h) an individual holding a legislative, administrative or judicial position.

Greater care must be taken in dealings with both high-level and low-level Public Officials in any country. In many countries, it is common for governments to own or operate business enterprises, either in whole or in partnership with a private entity. ABC Laws and legislation do not prohibit legitimate business dealings with Public Officials; however, such relationships must be formed, maintained, and monitored with particular attention to this Policy.

Under no circumstances shall an Employee of OSG or a Third Party offer, promise, authorize, or make an improper payment to, or otherwise confer any illicit benefit upon, a Public Official in any country, directly or indirectly, to obtain, retain, or direct business to anyone. Moreover, OSG Employees and Third Parties are duty-bound to adhere to ethical business practices that exceed the legal requirements of anti-bribery legislation by exercising prudent judgment and caution at all times to refrain from making any payments or otherwise conferring any benefits on any Public Official that potentially could create even an appearance of impropriety.

3.2. Accounting Provisions

ABC Laws and legislation contain strict accounting provisions that are divided into two separate, but related, requirements: (1) accounting books and recordkeeping provisions, and (2) internal accounting control provisions.

3.2.1. Books and Recordkeeping

OSG is required to keep books, records and accounts, which, in “reasonable detail,” accurately and fairly reflect the transactions and dispositions of Company assets. The books and records requirements apply to *all* Company transactions. Under no circumstances shall an OSG Employee or Third Party knowingly or with intent falsely or

inaccurately record on the Company's books and records any transaction of OSG funds or assets, or permit or condone any other Employee or Third Party to do so.

3.2.2. Internal Controls

OSG is also required to maintain an effective system of internal accounting controls that is capable of detecting and preventing improper payments to Public Officials or others. Specifically, the Company's internal controls must provide reasonable assurances that:

- transactions are executed in accordance with the management's general or specific authorization;
- transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets;
- access to assets is permitted only in accordance with management's authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

OSG Employees are required to comply with all Company policies and internal control procedures governing the disposition or recordation of Company funds and assets.

3.3. Neither Willful Blindness nor "Ignorance of the Law" is an Excuse

Under ABC Laws and legislation, "knowledge" is not limited to actual knowledge of a particular fact, circumstance or event. Rather, a person is deemed to "know" about an improper payment or other violation of anti-bribery legislation if he or she is merely aware of a probability of its existence. In other words, even if you do not actually "know" about activities that violate the ABC Laws and legislation, such knowledge nonetheless may be imputed to you and the Company if you take steps to deliberately insulate yourself from, or consciously disregard, suspicious actions or circumstances (*i.e.*, "red flags"). In short, willful blindness (*e.g.*, hiding your "head in the sand," saying "that's not my responsibility" or "this is just business as usual and everyone else is doing it") is no defense to an accusation of bribery or corruption. Indeed, such conscious disregard of suspicious activity that merits further inquiry and scrutiny may result in the imposition of criminal and/or civil liability on both the Company and individual Employees, including you. Accordingly, willful blindness under such circumstances is strictly forbidden by this Policy.

3.4. Enforcement and Penalties

ABC Laws and legislation, including in particular the FCPA and the BA, provide for both criminal and civil enforcement by the Department of Justice and the Securities and Exchange Commission, among others, against the Company and individual Employees. In no event will the Company indemnify or pay criminal penalties imposed on Company Employees.

For example:

- FCPA:

The FCPA authorizes the imposition of severe criminal sanctions. A violation of the FCPA could expose OSG to up to \$2 million in criminal fines, and up to \$25 million in penalties for “willful” violations. Individuals may be imprisoned and are subject to fines of up to \$100,000 per violation, and up to \$5 million for “willful” violations. Fines can in some cases exceed these amounts if the benefit received by the Company was larger than the maximum fine.

The government may also suspend or revoke the Company’s privileges to conduct business with government agencies.

Employees of OSG may be exposed to individual civil liability for losses incurred by the Company for FCPA violations. The Company cannot and will not indemnify or pay criminal penalties imposed on Company Employees.

- UK Bribery Act (“BA”):

Breaches of the BA also carry severe penalties. An OSG Employee could be imprisoned for up to ten years, disqualified from acting as a director and face significant monetary fines against the Employee as an individual.

In addition, OSG could face unlimited fines, lose the ability to trade in certain jurisdictions, lose business, face legal action by competitors, litigation and substantial investigation expenses. OSG could also suffer damage to its corporate reputation.

OSG accordingly views any actual or attempted act of Corruption or Bribery very seriously. A breach of this Policy may result in disciplinary action, including immediate termination of the Employee’s employment. Where a case is referred to a law enforcement agency or any internal investigation is required, OSG expects the employee

to fully cooperate with any internal investigation. The Company will co-operate fully with any criminal investigation which could lead to Employees being prosecuted.

4. Primary Areas of Risk

4.1. Red Flags

In light of the severe consequences of bribery or corruption violations, it is imperative that all OSG Employees and Third Parties remain alert and cognizant of “red flags” that might provide advance warning of potential violations. Such “red flags” may include, but are not limited to:

- Inflated or unusually large commissions or bonus payments;
- Requests for inexplicably large payments in cash or in bearer instruments;
- Payments through a Third Party or to an account in an off-shore or unrelated third country;
- Requests that payments be made to an unknown Third Party, be split among multiple accounts, be made to an account other than where the Third Party or agent is located or business is to be performed or any other unusual financial arrangement;
- False invoices or over-invoicing for Company or related services;
- Lack of transparency in expenses and accounting records;
- A Third Party whose qualifications include personal relationships with Public Officials;
- A Third Party’s apparent lack of qualifications or resources to perform services offered;
- A Third Party who relies heavily on political or government contacts instead of technical skills or time invested;
- Any refusal or hesitancy by a Third Party to enter into a written agreement containing representations and warranties to refrain from violations of the anti-bribery legislation or a refusal by any such party to explain or account for expenditures of Company funds entrusted to them;
- Inadequate oversight over subsidiaries and personnel in any country;
- A history or pattern of systemic corruption in a country;
- A Public Official recommends that OSG hire a specific Third Party;
- Upon checking references, you find that a potential Third Party has an unsavory reputation, a criminal record or is not well known in the industry; or

- Repeated use of a Third Party for business without any reasonable justification for such repeated appointment.

4.2. Gifts, Entertainment, and Travel Expenses

OSG Employees and Third Parties are permitted to pay reasonable business expenses of or give gifts to others on behalf of OSG only if they are:

- Pre-authorized by the President, any co-President, Executive Vice President or Senior Vice President of OSG or the General Counsel or the Head of Human Resources of OSG (or, in the case when the gift or expense is being given or incurred by such a person, pre-authorized by another of the listed senior officers);
- Reasonable and not frequent or lavish (compared to normal transactions in similar circumstances);
- Directly related to the promotion or demonstration of OSG's products or services or, in the case of entertainment, they are provided in order to develop business relationships or improve communications regarding company business;
- Provided for a purpose other than to induce the recipient to abuse his/her position;
- Free from the purpose, effect or appearance of causing the recipient to do business with OSG other than based on merit;
- Permitted under OSG's policies and procedures, including this Policy and the Travel & Entertainment Policy;
- Permitted under the rules of the recipient's employer and legal under the laws of the recipient's country;
- Not designed to in any way embarrass or harm the reputation of OSG; and
- Timely and accurately recorded and properly authorized in OSG's books and records.

In all cases, such business expenses should be avoided if they could create a feeling of obligation, or compromise the OSG Employee's or Third Party's professional judgment or the judgment of the recipient or influence the recipient to do or not do something in favor of OSG or an OSG Employee or Third Party.

Examples of reasonable expenses include paying for coach-class airfare and other transportation costs, lodging, meals, entertainment, and token or promotional gifts that

bear a company logo and are of only nominal value, in line with and incidental to usual and necessary business activities. It is Company policy to refrain from participating or involvement in activities that could create even an appearance of impropriety in its business activities.

4.3. Public Officials

As discussed above, greater care must be taken when dealing with Public Officials than other third parties. Accordingly, as a matter of Company policy, **no Employee of OSG or Third Party may offer, authorize, promise, or give a gift to, or fund entertainment or travel for a Public Official on behalf of OSG without obtaining prior written authorization from the Legal Department** and:

- The gift, entertainment or travel must satisfy the requirements of this policy including those set forth earlier in this Section 6.
- The gift, entertainment or expense is not part of an effort to influence any act by the Public Official with decision-making authority over a prospective business opportunity;
- The gift, entertainment or expense should only be given if it is customary to do so in the recipient's country;
- The gift, entertainment or expense must be permissible under the local laws of the country of the Public Official and the regulations and guidelines of the Public Official's employer.
- Where possible, any gift must be for official use, as opposed to the individual or personal use, of a Public Official to whom it is given.

4.4 Per Diems

Providing a per diem to any Third Party, even if for purely lawful and legitimate purposes, poses an inherent danger that the payment could be misconstrued as a Bribe, or otherwise create an appearance of impropriety or unethical conduct. For these reasons, such payments are strictly forbidden by this Policy.

4.5 Facilitation Payments

OSG's policy is that all Employees and Third Parties are prohibited from making Facilitation Payments. Facilitation Payments are payments that may be requested by Public Officials to speed up a routine government action where the Public Official does not exercise any discretion, such as:

- Processing licenses, permits or other official documents;
- Processing government paperwork such as visas and work orders; and
- Providing services such as police protection and mail pick-up and delivery.

Although it may be customary or culturally acceptable for Public Officials in some countries to request Facilitation Payments, this does not mean that such payments are legal or legitimate.

If an OSG Employee or Third Party believes there is a need to pay a legal Facilitation Payment, they must first obtain the express written permission of a member of the OSG Legal Department in order to determine whether the payment could be prohibited. A member of the OSG Legal Department must review the payment request and provide written approval before any payment can be made to a Public Official.

While Facilitation Payments and Bribes are prohibited, you are not expected to place your life or liberty at risk. If an Employee or Third Party is in a situation where the only reasonable recourse is to pay and there is no opportunity to contact Legal in advance, make the payment and report the amount and circumstances immediately upon reaching safety.

In any event, if a Facilitation Payment or any other Bribe is made it must be clearly characterized as such and properly recorded in accordance with Subsection 3.2.1 above (“Books and Recordkeeping”).

4.6 Political and Charitable Donations

To ensure compliance with ABC Laws and legislation, OSG Employees and Third Parties may not offer, promise, authorize, or make, directly or indirectly, a political or charitable contribution on behalf of OSG without obtaining prior written authorization from the Company’s Legal Department.

4.7 Third-Party Representatives

OSG can be held liable for violations of ABC Laws and legislation by Third Parties acting on its behalf. This is a matter of strict liability and the only defense available to OSG for such a charge would be if it can show that it has carried out adequate due diligence on the Third Party in order to identify, reduce or eliminate the use of Third Parties at risk of Bribery.

As such, great care should be taken in the selection and retention of such Third Party representatives. You must never engage a Third Party to act on OSG's behalf if you know or suspect that the person may use or offer all or a portion of the payment directly or indirectly as a Bribe or to induce Corruption or Improper Performance.

Conducting appropriate pre-retention due diligence of agents, consultants, and business partners is crucial to ensuring that the Company reduces or eliminate the engagement of Third Parties who may engage in bribery violations while acting on the Company's behalf. It is your responsibility to ensure that either you or a proper OSG Employee carry out such due diligence checks and document all steps and any mitigation of identified "red flags". This will include a corruption risk assessment of a number of factors, including but not limited to:

- the business purpose for using the Third Party;
- the country in which the business is to be conducted;
- the Third Party's potential business partners;
- the past practices or any negative risk issues associated with the Third Party;
- the nature and risk level of the proposed project or transaction; and
- any internal approvals or rejections.

Prior to exposing OSG to any liability or actions of Third Parties, retention of all Third Parties must be pursuant to a written contract – never oral. All paperwork and records that document the due diligence checks risk assessment, mitigation and the contract of engagement must be retained for six years or other period associated with OSG's Records Management Policy or instructions from Legal.

5. EXCEPTION REQUESTS OR OTHER COMPANY ASSISTANCE

Any person who requests any exception or has a question about this Policy or its application or any proposed transaction should obtain, in advance, any additional guidance from the Company's Legal Department at (212) 251-1199.

6. RAISING QUESTIONS OR REPORTING CONCERNS

Any Company Employee who has knowledge or reason to suspect or believe that there has been, or will be, a violation of this Policy, is required to report such information to the Company's Legal Department immediately.

Reports of non-compliance may also be made to the OSG Compliance Hotline anonymously at 1 (866) 604-1228 or by using any of the other contact methods outlined

in the Code of Business Conduct and Ethics. Ultimately, however, the responsibility for adhering to this Policy rests with the individual.

No Employee shall be subject to any reprisal or adverse personnel action by reason of having made such a report in good faith.

If you have any other questions or are concerned about something that seems to be in conflict with the law, regulations, the Company Code of Business Conduct and Ethics or this Policy, you have several options:

- Inform your manager. Be as specific and detailed as possible so they understand the situation and your concerns;
- Contact the Legal Department; or
- Contact the COMPANY Employee Hotline toll-free anytime at 1 (866) 604-1228.

All questions or concerns will be handled in as confidential manner as appropriate and allowed by law and will be investigated without retaliation.

7. OTHER POLICIES WHICH MAY APPLY

The Insider Trading Policy should be considered along with other Company policies that may apply to trading in Company securities, including in particular the Company's Code of Business Conduct and Ethics and the Travel & Entertainment Policy. Certain policies are available on the Company's website at www.osg.com under the "Investor Relations – Corporate Governance" tab, and all of the Company's policies are available on the Company's intranet site.

NOTE: This Policy is not intended to create any employment relationship or contractual rights in favor of the employee or the Company. OSG reserves the right to change the terms of this Policy at any time.